- Farmers in arrears—Loans in default of farmers who have become ineligible for fresh credit as their earlier debts have been categorized as sub-standard or doubtful will be rescheduled as per the guidelines issued by NABARD/RBI so that such farmers become eligible for fresh credit.

  OTS for small and marginal farmers—Guidelines for increasing the flexibility of banks and cooperatives to grant a one-time settlement (OTS) for small and marginal farmers who have been declared as defaulters and have become ineligible for fresh credit from lending institutions will be issued by RBI/NABARD. Management of banks and cooperatives will be advised to review cases where credit has been denied on the sole ground that a loan account was settled through compromise or write offs.

- In some parts of the country, farmers face acute distress because of the heavy burden of debt from non-institutional lenders (e.g., moneylenders). Banks have been permitted to advance loans to such farmers to provide them relief from indebtedness against appropriate collateral or group security.

B. FARM PRODUCE PRICES

For the crop year 2004-05, Minimum Support Prices (MSP) have been raised for all the crops except toria, tobacco and copra. Farmers are assured of the return on their investment because if prices fall down, the Government buys the entire surplus from the market at the declared Minimum Support Price.

Constitution of Expert Committee on Agricultural Commission

192. SHRI KARNENDU BHATTACHARJEE: Will the Minister of AGRICULTURE be pleased to state:

(a) whether Government propose to constitute an Expert Committee on Agricultural Commission to study agrarian crisis on account of scanty rain-fall in certain parts of the country and suggest measures to overcome it; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA): (a) No, Sir.

(b) Does not arise.

Reforms in agriculture sector

193. SHRI C. RAMACHANDRAIAH: Will the Minister of AGRICULTURE be pleased to state:

(a) whether Government propose to introduce reforms in the agriculture sector with the intention to step up investments and remove untoward controls in farming;

(b) if so, by when they are to be introduced alongwith the complete details thereof; and

(c) in what manner the proposed reforms in the agriculture sector would help the overall performance of the farm sector in terms of investment, marketing and production?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA): (a) Yes, Sir.

(b) Agriculture sector needs well functioning markets to drive growth, employment and economic prosperity in rural areas of the country. In order to provide dynamism and efficiency into the marketing system, large investments are required for the development of post harvest and cold chain infrastructure near to the farmers' field. Projection of production and marketable surplus of various farm products was recently assessed by an Expert Committee set up by the Ministry of Agriculture which estimated that an investment requirement of Rs. 11,142 crore in next 10 years would be necessary for infrastructure development for agricultural marketing. A major portion of this investment is expected from the private sector, for which an appropriate regulatory and policy environment is necessary.

The Ministry is well on this path of reform and has had several rounds of discussion with the States including restrictive provisions of State Law in Agricultural Marketing (APMC Act) which hamper effective transmission of market signals, and thereby the need to modify and create lawful space for the private sector in market development and contract farming.